

EXHIBIT 2

EXPERT REPORT OF RICHARD H. MILLMAN ON DAMAGES

A. Professional Background

I am a partner in the forensic accounting practice of the Atlanta-based public accounting firm of Habif, Arogeti & Wynne, LLP with offices at Five Concourse Parkway, Suite 1000, Atlanta, Georgia. I am a Certified Public Accountant ("CPA") licensed in the State of Georgia and a member of the American Institute of Certified Public Accountants ("AICPA") and the Georgia Society of CPAs. In addition, I am Accredited in Business Valuation and Certified in Financial Forensics, both designations awarded by the AICPA. I am also a Certified Valuation Analyst designated by the National Association of Certified Valuation Analysts. I have more than forty (40) years of experience in forensic accounting, litigation support, and general business and accounting, including business valuation, commercial damages, application of General Accepted Accounting Principles ("GAAP"), application of US Generally Accepted Auditing Standards ("GAAS"), and Public Company Accounting Oversight Board standards. I am a 1967 graduate of Northeastern University, and my professional and business experience includes serving as the lead audit partner on audits of companies in a wide variety of industries. I have presented training programs to various groups on business valuation, damages, accounting and auditing. I have consistently equaled or exceeded the continuing professional education requirements for my various designations.

I have applied the skills and knowledge gained from my years of education, experience, training and teaching to disputes involving many different accounting-related issues, including compliance with GAAP and GAAS, intellectual property, fraud,

business valuation, product liability, breach of contract, and damages determinations.

My skills have been applied as an expert witness and consultant in the context of numerous legal proceedings involving arbitration, mediation and court proceedings. My CV is attached as Appendix 1.

B. Overview

I was previously retained in this litigation by Plaintiffs to provide an expert opinion with regard to, among other things, the damages recoverable by investors in Agile Sky Alliance Fund, LP (“Agile Sky”), Night Watch Partners, LP (“Night Watch”), and PipeLine Investors, LP (“PipeLine”) from defendant Rothstein, Kass & Company, P.C. (“Rothstein Kass”). Subsequent to my retention in this matter, the Court entered an order dated February 10, 2012 certifying plaintiff classes to include persons or entities that held a limited partnership interest in Agile Sky, Night Watch, and PipeLine during the period of time Rothstein Kass provided accounting services or conducted audits of these partnerships. My damage analysis is based on losses incurred by limited partners in the three identified partnerships (Agile Sky, Night Watch, and PipeLine) consistent with the Court’s definition of the certified classes. In connection with my work in this case I was provided with and have reviewed pertinent audit workpapers and partnership records relating to audits conducted by Rothstein Kass of partnership financial statements, including workpapers of the successor auditor to Rothstein Kass.

Rothstein audited and issued unqualified audit opinions on the following partnership financial statements:

Agile Sky: for years ended December 31, 2005 and December 31, 2006;

Night Watch: for years ended December 31, 2004, December 31, 2005, and December 31, 2006; and

PipeLine: for years ended December 31, 2004, December 31, 2005, and December 31, 2006.

In my professional opinion, limited partners/Class members in Agile Sky, Night Watch, and PipeLine would be able to present at trial a case of professional negligence against Rothstein Kass. However, my expert opinion is that the potential liability of Rothstein Kass would be limited to the audit work related to the specific investments by Agile Sky, Night Watch, and PipeLine in certain third party partnerships that were themselves invested in what was revealed, in late 2008, to have been Ponzi schemes conducted by Thomas J. Petters and Bernard L. Madoff. In other words, notwithstanding that Agile Sky, Night Watch, and PipeLine invested in a multitude of investee partnerships, only a very small number of those investee partnerships were exposed as Ponzi scheme frauds. The audit workpapers show that the other (non-Ponzi) investee partnerships in which Agile Sky, Night Watch, and PipeLine invested were not tainted by any Ponzi fraud. Although the returns (in the non-Ponzi partnerships) were not what the general or limited partners of the partnerships may have expected, in my professional opinion, it was not Rothstein Kass's responsibility, to ensure as an auditor, that the investments in Agile Sky, Night Watch, and/or Pipeline met expectations. The choice of investee partnerships was at the discretion of the general partners of Agile Sky, Night Watch, and PipeLine, and Rothstein Kass had no role in that function. In its capacity as independent public accountant for Agile Sky, Night Watch, and PipeLine, Rothstein Kass had no professional duty to investigate the investee partnerships before the Agile Sky,

Night Watch, and PipeLine partnerships initially determined that they were appropriate investments for those partnerships. In conducting its audits, Rothstein Kass was required to, among other things, take steps to satisfy itself as to the existence and valuation of Agile Sky, Night Watch, and PipeLine's investments in the investee partnerships. In my opinion, with regard to the partnerships' investments in investee partnerships which had themselves invested in Ponzi schemes, Rothstein Kass's failure to conduct an audit in accordance with professional standards under GAAS, where certain red flags existed and were not adequately addressed, contributed to the continuing losses of the plaintiffs.

The following chart shows the losses incurred by Agile Sky, Night Watch, and PipeLine class members arising from the Ponzi schemes in which the investee partnerships were invested. I express no opinion as to whether all of these losses are recoverable from Rothstein Kass, or whether the other parties bear a share of responsibility for those losses. I expect that Rothstein Kass may take the position that a significant portion of the responsibility for these losses should be ascribed to various other participants in the partnerships' activities, many of whom had a closer relationship to the Ponzi partnerships than did Rothstein Kass, and arguably had a greater duty to conduct due diligence and disclose the Ponzi schemes. These other participants include the Agile Sky, Night Watch, and PipeLine partnerships and the general partners thereof, the multiple investee partnerships and general partners thereof which were directly invested in the Ponzi schemes, the auditors for the investee partnerships which were directly invested in the Ponzi schemes (which did not include Rothstein Kass), as well as Thomas J. Petters and Bernard L. Madoff and officers of their respective companies. In addition, the predecessor auditor to Rothstein Kass may have some responsibility. I

understand that none of these other potentially-responsible parties are presently defendants in this lawsuit.

C. Determination of Damages

The successor auditor to Rothstein Kass for each of Agile Sky, Night Watch, and PipeLine prepared federal income tax returns for these partnerships for the year ended December 31, 2008. Theft losses as a result of the Ponzi scheme losses were claimed on the tax returns for the partnerships for 2008 and reflected in Forms K-1 disseminated to the limited partners. Based on the theft loss deductions claimed by the partnerships, and eliminating the investments held by defendants and related persons and entities who have been excluded from the certified classes, I have calculated the losses incurred due to the Ponzi scheme investments as follows:

Agile Sky - \$11,727,234
Night Watch - \$7,365,190
PipeLine - \$645,329

**TOTAL CLAIMED THEFT LOSSES ATTRIBUTABLE TO CLASS MEMBERS:
\$19,737,753**

I express no opinion, as to what percentage of such loss Plaintiffs could expect to recover from defendant Rothstein Kass.

April 4, 2012


Richard W. Millman

Appendix 1

**CURRICULUM VITAE
RICHARD W. MILLMAN
Certified Public Accountant/
Certified in Financial Forensics
Accredited in Business Valuation
Certified Valuation Analyst**

EDUCATION

Mr. Millman graduated from Northeastern University with a Bachelor of Science, in 1967. He earned his Certified Public Accountant license in 1970 in Florida and is currently a licensed Certified Public Accountant in Georgia.

BACKGROUND

In over 35 years Richard's professional background has spanned both the public and private sectors. His industry experience includes real estate, healthcare, financial services, and oil/gas/petrochemicals among others. Richard has worked at all levels of management including as a National Director and Managing Partner at public accounting firms and as a Chief Operating Officer, Chief Financial Officer and Chief Executive Officer in industry. As a litigation support services principal, Richard has provided litigation support and expert witness services in cases involving financial business disputes, bankruptcy, lost profits, accounting principles, application of Generally Accepted Auditing Standards, accountant malpractice, construction claims, business valuation and diversion of assets.

Richard currently serves as practice leader of the Forensic Accounting Services Team. He helps attorneys and their clients with the complex financial issues often encountered in litigation, business disputes and bankruptcy filings. He also advises companies on potential buy/sell transactions and profitability and efficiency opportunities. He has been a speaker at various professional organizations on damage determinations and business valuations. He has also served in various professional capacities, including the following:

- ♦ Past member of AICPA Real Estate Accounting Committee
- ♦ Peer reviewer of firms for AICPA SEC Section Firms
- ♦ Past member FICPA-Dade County Chapter-State and Local Government Accounting and Auditing Committee
- ♦ Reviewer for national accounting firm internal accounting & auditing department inspections
- ♦ Member of concurring partner cadre - second partner reviewer for SEC and other high-risk engagements

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PROFESSIONAL EXPERIENCE

Habif, Arogeti & Wynne, LLP, Atlanta, Georgia

2008 - Present

Director of Forensic Accounting and Litigation Services Department

Tauber & Balser, P.C., Atlanta, Georgia

2000 - 2008

Director of Forensic Accounting Services Team

Tradepath Technologies. LLC, Marietta, GA

1999 - 2000

CEO of start-up Internet commerce service provider

Medserv Corporation, Marietta, GA

1995 - 1999

Chief Operating Officer/Chief Financial Officer of fifteen state home health care company

BDO Seidman, Atlanta, Georgia

1982 - 1995

Director of Litigation Services

Audit Partner

National Director of Real Estate Industry Group

Millman Weinberger & Company, Coral Gables, Florida

1975 - 1982

Managing Partner

Price Waterhouse Coopers, LLP, Miami, Florida

1970 - 1975

Audit senior

KPMG Peat Marwick LLP, Boston, Massachusetts

1967 - 1968

Audit staff

PUBLICATIONS

“IRS Attacks *Mandelbaum*” May/June 2003, The Valuation Examiner

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INSTRUCTOR EXPERIENCE

Instructor in National Accounting Firm Continuing Professional Education Program:

- ♦ Audit Partners - Audits of Real Estate Companies
- ♦ Tax Partners - Prospective Financial Statements
- ♦ Audit Partners and Managers – Anatomy of Litigation Support Services

Instructor for Continuing Education Programs for Certified Public Accountants Sponsored by State CPA Societies:

- ♦ Accounting and Auditing of State and Local Governments
- ♦ Lost profits and damages methodologies in Litigation support engagements

PROFESSIONAL AFFILIATIONS

- ♦ The American Institute of Certified Public Accountants
- ♦ The Georgia Society of Certified Public Accountants
- ♦ National Association of Certified Valuation Analysts
- ♦ The Defense Research Institute (Non-Lawyer Affiliate Member)